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November 4, 1998

HAND DELIVER

Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

Re: Commercial Internet eXchange Association
CC Dkt. No. 96-98 (CCB/CPD 97-30)
Ex Parte Presentation

Dear Ms. Salas:

In conformity with the Commission's rules, enclosed please find two copies of a written *ex parte* presentation for inclusion in each of the above-referenced docket.

Should you have any questions concerning this matter, please contact the undersigned directly.

Sincerely,



Mark J. O'Connor
Counsel for the Commercial Internet
eXchange Association

/mjo
Enclosures

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November 4, 1998

HAND DELIVERY

Chairman William E. Kennard
Federal Communications Commission
Room 814
1919 M Street, N.W.
Washington, D.C. 20036

Re: Commercial Internet eXchange Association
Ex Parte Presentation: CC Dkt. No. 96-98 (CCB/CPD 97-30)

Dear Chairman Kennard:

The Commercial Internet eXchange Association ("CIX") files this letter to present its views on the Commission's upcoming decision on reciprocal compensation for dial-up Internet traffic passing across incumbent LEC and competitive LEC networks. In CIX's view, this week's decision provides the Commission with an opportunity to reaffirm the treatment of Internet service providers ("ISPs") under the interstate access charge regime and to hasten *competition at all levels* of the advanced services markets.

CIX is the principal trade association of the ISP industry with a membership of over 150 ISPs who handle over 75% of the United States' Internet traffic. CIX has been active for many years representing the ISP perspective on issues of universal service, interconnection, and, most recently, on the advanced services proceedings (e.g., CC Dkt. No.s 98-146, 98-147). CIX has also participated in the LEC DSL tariff proceedings to ensure that underlying telecommunications are made available to all ISPs in an efficient and fair manner. CIX has reviewed the GTE ADSL Tariff Order¹

¹ In the Matter of GTE Telephone Cos., Memorandum Opinion and Order, CC Dkt. No. 98-79, FCC 98-292 (rel. Oct. 30, 1998).

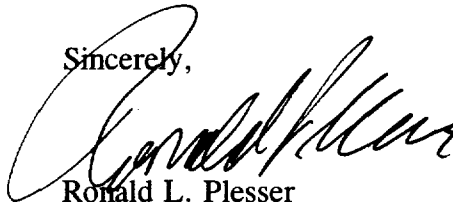
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released last week and understands that the Commission intends to release an order this week "on the jurisdictional nature of more traditional, dial-up access via the local telephone company's local switch."²

CIX believes that the Commission can promote a competitive Internet access market by maintaining three principles as part of this week's decision. *First*, incumbent LECs and CLECs should compensate each other pursuant to the negotiated interconnection agreements in effect; state decisions on compensation should not be retroactively undone by the Commission, especially since reciprocal compensation was a methodology endorsed by the incumbent LECs with the 1996 Act. Rather, if the Commission applies its rationale in the GTE ADSL Tariff Order to dial-up access arrangements, then such a modification of existing Commission policy should apply on a prospective basis only. *Second*, the Commission should eliminate market uncertainty by reaffirming that the traffic to and from ISPs is not subject to per-minute access charges. The Commission's longstanding precedent entitles ISPs to "end user" treatment for access charge purposes, regardless of whether the ISP is served by an incumbent LEC or a CLEC. *Third*, competition between CLECs and incumbent LECs should be one of the Commission's highest priorities, in order to promote efficient local access services for ISPs. The Commission should make clear that incumbent LECs may not impede competitive CLEC offerings to ISPs by charging interstate access charges for calls originating on the incumbent LEC network which terminate at an ISPs via a CLEC offering.

Please feel free to call on CIX if you or other members of the Commission wish to discuss these issues further. In accordance with the *ex parte* rules, two copies of this letter will be filed with the Commission's Secretary's office for inclusion in the above-referenced docket.

Sincerely,



Ronald L. Plessner
Mark J. O'Connor
Counsel for the Commercial Internet
eXchange Association

² "FCC Says GTE's ADSL Internet Access Service is Interstate Service," Public Notice, Rpt. No. CC 98-41 (rel. Oct. 30, 1998).

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cc: Commissioner Susan Ness
Commissioner Harold Furchgott-Roth
Commissioner Michael Powell
Commissioner Gloria Tristani
Kathryn Brown
Thomas Power
James Casserly
Paul Misener
Kevin Martin
Kyle Dixon
Paul Gallant
Lawrence Strickling
Robert Pepper
Dale Hatfield
Jane Jackson
Stagg Newman
Carol Matthey
Rebecca Dorch
Jonathan Weinberg
Jason Oxman
Linda Kinney